

NOTICE OF PROPOSED CHANGES IN REGULATIONS OF THE
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS)

ITEM # 1 ABAWD Food Stamp Work Requirement

CDSS hereby gives notice of the proposed regulatory action(s) described below. Any person interested may present statements or arguments orally or in writing relevant to the proposed regulations at a public hearing to be held March 15, 2006, as follows:

March 15, 2006
Office Building # 9
744 P St. Auditorium
Sacramento, California

The public hearing will convene at 10:00 a.m. and will remain open only as long as attendees are presenting testimony. The Department will adjourn the hearing immediately following the completion of testimony presentations. The above-referenced facility is accessible to persons with disabilities. If you are in need of a language interpreter at the hearing (including sign language), please notify the Department at least two weeks prior to the hearing.

Statements or arguments relating to the proposals may also be submitted in writing, e-mail, or by facsimile to the address/number listed below. All comments must be received by 5:00 p.m. on March 15, 2006.

CDSS, upon its own motion or at the instance of any interested party, may adopt the proposals substantially as described or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of nonsubstantive, technical, or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption to all persons who testify or submit written comments during the public comment period, and all persons who request notification. Please address requests for regulations as modified to the agency representative identified below.

Copies of the express terms of the proposed regulations and the Initial Statement of Reasons are attached/available from the office listed below. This notice, the Initial Statement of Reasons and the text of the proposed regulations are available on the internet at <http://www.dss.cahwnet.gov/ord>. Additionally, all the information which the Department considered as the basis for these proposed regulations (i.e., rulemaking file) is available for public reading/perusal at the address listed below.

Following the public hearing, copies of the Final Statement of Reasons will be available from the office listed below.

CONTACT: Office of Regulations Development
California Department of Social Services
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Sacramento, California 95814

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CHAPTERS

Manual of Policies and Procedures, Division 63 (Food Stamp Regulations), Chapter 63-400 (Eligibility Standards), Section 63-410 (Food Stamp Work Requirement for Able-Bodies Adults Without Dependents (ABAWD))

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Public Law 104-193, Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) established the Able-Bodied Adult Without Dependents (ABAWD) work requirement. The ABAWD work requirement must be met by food stamp recipients between the ages of 18 and 50 who are not recipients of California Work Opportunity and Responsibility to Kids (CalWORKs) benefits. The ABAWD work requirement is met through employment, workfare, and/or participation in allowable work activities. Exemptions from the ABAWD work requirement include unfitness, pregnancy, residing in a food stamp household that includes a dependent child, residing in a county with an approved federal waiver of the work requirement, and/or food stamp work registration exemptions. Eligibility for food stamps without meeting the ABAWD work requirement includes unfitness, pregnancy, residing in a food stamp household that includes a dependent child, residing in a county with an approved federal waiver of the work requirement, and/or food stamp work registration exemptions. Eligibility for food stamps without meeting the ABAWD work requirement is limited to three countable months within a 36-month period. Persons, who fail to meet the work requirement, may regain eligibility if during a 30-day period they satisfy the ABAWD work requirement.

The FNS issued federal regulations that implemented provisions of the PRWORA, including the ABAWD work requirement. Federal ABAWD regulations are codified at 7 CFR 273.24 and are published in the Federal Register (Volume 66, Number 11). State ABAWD regulations at Manual of Policies and Procedures Section 63-410 are consistent with federal regulations.

Assembly Bill 444 (Chapter 1022, Statutes of 2002) established a quarterly reporting/prospective budgeting (QR/PB) system for the CalWORKs and Food Stamp programs, which replaced the Monthly Reporting/Retrospective Budgeting system. Emergency regulations that implement the QR/PB system took effect July 1, 2004. The emergency regulations were revised following the public hearing and were filed with the Office of Administrative Law with an effective date of August 5, 2005.

On December 3, 2004, the FNS issued correspondence to the California Department of Social Services (CDSS) which provided that for a quarterly reporting household, an ABAWD whose exemption stops midquarter would be considered exempt for the remainder of the quarter. An individual whose exemption stops for a reason not subject to reporting requirements would be assessed for exemption status at recertification. CDSS included a post-hearing amendment in the QR/PB regulations package that reflects this policy.

On May 27, 2005, FNS reversed this policy. Now, an individual who no longer qualifies for an ABAWD exemption is immediately subject to the ABAWD work requirement and may not be considered exempt for the remainder of the quarter or for the remainder of the certification period. State QR/PB regulations must be amended by removing language that is inconsistent with current federal policy. This amendment is necessary to avoid county errors and accompanying federal financial penalties for California. The county errors will take the form of food stamp overissuances

to ABAWDs whose exemption ends mid-quarter, but who are incorrectly treated as exempt for the remainder of the quarter making them eligible for food stamps.

COST ESTIMATE

1. Costs or Savings to State Agencies: No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law and regulations.
2. Costs to Local Agencies or School Districts: None.
3. Nondiscretionary Costs or Savings to Local Agencies: No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law and regulations.
4. Federal Funding to State Agencies: No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law and regulations.

LOCAL MANDATE STATEMENT

These regulations impose a mandate on local agencies but not on school districts. There are no state mandated costs in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code because any costs associated with the implementation of these regulations are costs mandated by the federal government.

STATEMENT OF SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

STATEMENT OF POTENTIAL COST IMPACT ON PRIVATE PERSONS OR BUSINESSES

The CDSS is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

SMALL BUSINESS IMPACT STATEMENT

CDSS has determined that there is no impact on small businesses as a result of filing these regulations because these regulations are only applicable to state and county agencies.

ASSESSMENT OF JOB CREATION OR ELIMINATION

The adoption of the proposed amendments will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California.

STATEMENT OF EFFECT ON HOUSING COSTS

The proposed regulatory action will have no effect on housing costs.

STATEMENT OF ALTERNATIVES CONSIDERED

CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed action.

AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Welfare and Institutions Code Sections 10553, 10554, and 18904. Subject regulations implement and make specific correspondence received from the Food and Nutrition Service on May 27, 2005 that addresses treatment of an individual whose ABAWD status changes from exempt to non-exempt.

CDSS REPRESENTATIVE REGARDING RULEMAKING PROCESS OF THE PROPOSED REGULATION

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| Contact Person: | Robin Garvey | (916) 657-2586 |
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